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C O N F I D E N T I A L SECTION 01 OF 02 CAIRO 003626

SIPDIS

E.O. 12958: DECL: 05/12/2015 TAGS: PREL PGOV KPAL KNNP ECON EG IS UNSC SUBJECT: RUSSIAN PRESIDENT PUTIN'S FIRST VISIT TO EGYPT FALLS SHORT ON SUBSTANCE

Classified by ECPO Counselor John Desrocher for reasons 1.4 (b) and (d).

Summary

(C) The visit of Russian President Vladimir Putin April 26-27 to Cairo, Egypt will be remembered more for its ceremonial and nostalgic aspects than for substantive agreements or strategic re-alignments. Putin and Egyptian President Mubarak released a joint statement after their summit meeting while senior officials addressed efforts to strengthen bilateral commercial and cultural ties. The Russians came hoping to sign an agreement on the peaceful uses of nuclear energy but were put off by an unprepared Egyptian side. The two sides agreed to the opening of a privately-funded Russian university near Cairo, to the expansion of tourism, and to the sale of Russian aviation equipment. Regarding Putin's public announcement while in Cairo of his desire to host an international conference on the Middle East Peace Process, the GOE listened politely, but is wary of Moscow's seriousness and fundamental ability to alter the status quo in the region. End summary.

First Visit to Egypt, Region

(C) On his first-ever visit to the Middle East, and as the first Russian President to visit Egypt in 41 years, Vladimir Putin's twenty-two hour overnight visit to Cairo attracted a good deal of media fanfare but fell short on substance, according to local contacts. The first stop on his regional tour recalled in nostalgic terms the strategic relationship between the former Soviet Union and the Egypt of Arab nationalist Gamal Abdel Nasser during the 1950's and 1960's. Still, most local commentators agreed that the visit itself was more newsworthy than any agreements Putin and Mubarak approved during the short stay. Russian Embassy Political Counselor Dmitri Dogadkin argued May 11 to poloff that the visit had been "a success," while admitting at the same time the visit's modest outcomes. Putin, he said, wished to reciprocate the several visits to Russia made by Egyptian President Mubarak. Furthermore, the Russian side believed that with fairly modest efforts, two-way trade with Egypt could be expanded.

Middle East Peace Process

(C) Putin surprised both the Egyptians and the media with an announcement that he was prepared to host an international conference on the Middle East Peace Process in Moscow later in the year. According to MFA Cabinet staff member Hala Al Ghanem, the Egyptian side politely expressed interest in the idea but wished to have more details on the proposal before committing further. Putin's public statements made later in Israel suggesting that the conference should be held only at the "experts" level, she said, left the impression that the Russian President was not entirely serious or engaged in this portfolio. Russia, she continued, recognized that it no longer played a significant role in the region, and wishes now to regain some of its past influence.

Putin-Mubarak Joint Statement

14. (C) Following their April 26 meeting (initially one-on-one with interpreters followed by an expanded meeting), the two leaders released a joint declaration entitled "On Reinforcing of Friendly Relations and Partnership Between the Russian Federation and the Arab Republic of Egypt." The five-page, 16-point declaration contains Russian consideration of Egypt as a "worthy candidate" for a seat on an expanded UN Security Council, support for a WMD-free Middle East, a condemnation of terrorism, support for the unity and territorial integrity of Iraq, agreement to coordinate on reaching a lasting peace in the Middle East, and agreement to further enhance parliamentary, military, social, economic, and technical ties between the two countries. The document further references a decision to establish a joint high-level follow-up mechanism of deputy foreign ministers. In addition to the joint statement, Dogadkin said, the two leaders discussed the regional situation, Iraq, Syria and Lebanon, as well as reform in Egypt and the region.

Russian Egyptian Bilateral Projects

 ${ t extstyle extstyle$ only USD 800 million, while imports from Egypt total USD 600 million (USD 550 million of which consists of money spent by Russians on tourism in Egypt). The Russian side believes it can both sell more to Egypt in the areas of machinery and technology, and increase tourism by Russians to Egypt. Already, Dogadkin said, Russia is pressing to overtake Italy as the second largest national group of visitors to Egypt, surpassed only by Germany. Russia will try to promote expansion of existing joint production work in the automobile and truck markets, he said. The Russian side had also intended to sign a joint agreement during the Putin visit on the peaceful uses of nuclear energy, but arrived to find that the Egyptians were still in the process of reviewing the technical details of the proposed agreement. Dogadkin, stating that "the ball is now in Cairo's court, was unable to describe the agreement in any more detail than to qualify it as focused on research and technical exchanges. Russia has no intention, he noted, to assist with the building of nuclear power plants such as in Iran. Dogadkin said that two sides agreed to an Egyptian proposal to establish a privately-funded Russian-Egyptian university in Cairo. two sides, he also noted, would look to increase their cooperation in the military sphere with Russia hoping to service and upgrade military hardware from the former Soviet Union still in the Egyptian armory. A Russian firm, Dogatkin said, finalized a deal during the visit to sell five commericial aviation jet engines (Pratt-Whitney) to a private Egyptian cargo firm owned by Ibrahim Kamel.

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